



FAQ's

Six-Year Improvement Program 2007-2012 And FY07 Transportation Budget

What is the transportation budget?

The Commonwealth Transportation Board (CTB) approves a budget every year that allocates funding for roadway maintenance and construction, as well as for administrative costs and debt payments. Mass transit, airports and seaports receive part of their funding from the state transportation budget.

What is the CTB?

The CTB guides the Virginia Department of Transportation, much like a board of directors. The Secretary of Transportation serves as chairman and the Commonwealth Transportation Commissioner as vice-chairman. The 17 board members are appointed by the Governor and approved by the General Assembly. The Director of the Department of Rail and Public Transportation also serves as a non-voting member of the board. Board meetings are held most months.

How much is the budget and how does it compare to last year's budget?

The budget for FY 2007 is \$4.3 billion. Last year's budget was \$4.1 billion. The FY 2007 budget goes into effect July 1, 2006.

What are the budget trends?

Minimal revenue growth is expected. The combination of slow revenue growth, rising maintenance needs and growing costs for asphalt, gas and other resources used to build and maintain roads leaves less funding for transportation improvements.

What is the Six-Year Improvement Program?

Revenues from the transportation budget go to the six-year program. The CTB allocates the anticipated funds that go toward transit, rail and interstate and primary highway construction projects that are being studied, designed and built over a six-year period.

Virginia law requires the CTB to update the six-year program by July 1 of each year. The program is subject to change each year as priorities change, schedules and costs shift, and study results are known.

How much is the six-year program and what are the program trends?

The program managed by VDOT is \$7.1 billion, compared to \$7 billion in last year's program. The General Assembly approved \$229 million in new revenues. This will go toward paying off debt, then help fund some projects in the six-year program.

The additional funding will allow the CTB to fund critical maintenance needs, maintain crucial transit services for those who have no other means of transportation, focus on improvements required by BRAC impacts and support localities willing to assume more responsibility of their transportation programs.

There remains a 36 percent reduction – or \$610 million funding shortage – compared to last year's program for highway improvements to the primary, secondary and urban systems.

Where does the transportation money come from?

Ninety-five percent of all transportation revenues are generated primarily from motor fuel taxes and user fees at the state and federal levels. The primary state source comes from the gas tax, which is 17.50 cents a gallon.

What are the funding priorities?

Virginia law requires that before funding goes to roadway construction, it first pays for roadway maintenance, operations and administration, debt service, support to other state agencies and the general fund, other modes – mass transit, ports and aviation, and earmarks and special financing programs.

The remaining funds go to pay the state's match on federal funds for interstate projects and other federally funded road projects. After the state match is paid, and a small percentage goes to fund improvements to unpaved roads, the rest is allocated by formula to the following systems:

- Primary system (state-maintained roads numbered 599 and below)
40% of the remaining amount is allocated among VDOT's nine construction districts based on vehicle miles traveled and lane miles.
- Secondary system (state-maintained roads numbered 600 and above)
30% is distributed to each county based on population and land area.
- Urban system (city-maintained streets)
The remaining 30 percent is distributed to municipalities based on population.

Who selects the projects?

It is a shared responsibility among the CTB, county boards of supervisors, city and town councils and metropolitan planning organizations working with VDOT and citizens. In general, county

boards of supervisors select secondary road projects and city and town councils select urban projects. Metropolitan planning organizations set transportation priorities for their regions and the CTB allocates funding for interstate projects and sets priorities for primary road improvements within each district.

How are project priorities set in the six-year program?

Most allocations go to on-going projects because there is little funding left for new projects. Priorities are:

- Ensuring safety
- Eliminating project deficits
- Financing projects as they are built to avoid deficits
- Completing projects to an appropriate phase
- Addressing bridges
- Requiring new projects to be eligible for federal funds
- Using realistic cost estimates
- Providing congestion relief
- Improving public transportation